

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2021 Legislative Session**

Resolution No. CR-40-2021

Proposed by The Chair (by request – County Executive)

Introduced by Council Members Hawkins, Taveras, Franklin, Davis, Streeter, Harrison,  
Turner and Glaros

Date of Introduction April 6, 2021

**RESOLUTION**

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for 8230 Schultz Road

3 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes

4 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and 8230

5 Schultz Road, LLC (the “Owner”).

6 WHEREAS, there is a significant need in the County for quality housing units for persons  
7 with limited income, particularly seniors; and

8 WHEREAS, the Owner proposes to acquire and construct ninety (90) units of new multi-  
9 family rental housing for low-to-moderate income seniors, ages sixty-two (62) years and older,  
10 known as 8230 Schultz Road, located at 8230 Schultz Road, Clinton, Prince George’s County,  
11 Maryland, as more particularly described in Exhibit A, attached hereto and herein incorporated  
12 by reference (“Property”); and

13 WHEREAS, the Owner has requested that the County Council of Prince George’s County,  
14 Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real  
15 property taxes pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of  
16 Maryland, as amended; and

17 WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of  
18 Maryland, as amended, provides that real property may be exempt from county and municipal  
19 corporation property tax if: (a)(2)(i) the real property is owned by a person engaged in  
20 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a  
21 housing structure or project that is constructed or substantially rehabilitated under a federal,  
22 State, or local government program that (a)(2)(ii)(1) funds construction or insures its financing in

1 whole or in part, or (a)(2)(ii)(2) provides interest subsidy, rent subsidy, or rent supplements;  
 2 (a)(2)(iii) the owner and the governing body of the county and, where applicable, the municipal  
 3 corporation where the real property is located agree that the owner shall pay a negotiated amount  
 4 in lieu of the applicable county or municipal corporation property tax; and (a)(2)(iv) the owner of  
 5 the real property: (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental  
 6 housing for lower income persons under the requirements of the government programs described  
 7 in paragraph (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual  
 8 contributions contract or other agreement for rental subsidy or supplement, or (a)(2)(iv)(2) enters  
 9 into an agreement with the governing body of the county or municipal corporation to allow the  
 10 entire property or the portion of the property which was maintained for lower income persons to  
 11 remain as housing for lower income persons for a term of at least five (5) years; and

12 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in  
 13 lieu of County real property taxes is necessary to make the Project economically feasible, as  
 14 described in Attachments "A-1," "A-2," and "A-3," attached hereto and made a part hereof; and

15 WHEREAS, in order to induce the Owner to provide housing for Seniors with restricted  
 16 incomes, it is in the interest of the County to accept payments in lieu of County real property  
 17 taxes, subject to the terms and conditions of the PILOT Agreement (the "Agreement") set forth  
 18 in Attachment B, attached hereto and made a part hereof; and

19 WHEREAS, the County Executive has recommended support of the acquisition and  
 20 construction of the Project.

21 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
 22 County, Maryland, that in accordance with Section 7-506.1 of the Tax-Property Article of the  
 23 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County  
 24 real property taxes for the Project, subject to the Agreement attached to this Resolution.

25 BE IT FURTHER RESOLVED that the County Executive or the County Executive's  
 26 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf  
 27 of the County in substantially the same form attached hereto.

28 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and  
 29 delivery of the Agreement, may make such changes or modifications to the Agreement as  
 30 deemed appropriate in order to accomplish the purpose of the transaction authorized by this  
 31 Resolution, provided that such changes or modifications shall be within the scope of the

1 transactions authorized by this Resolution; and the execution of the Agreement by the County  
2 Executive or the County Executive’s designee shall be conclusive evidence of the approval of the  
3 County Executive of all changes or modifications to the Agreement; and the Agreement shall  
4 thereupon become binding upon the County in accordance with the terms and conditions therein.

5 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of  
6 its adoption.

Adopted this 18th day of May, 2021.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Calvin S. Hawkins, II  
Chair

ATTEST:

\_\_\_\_\_  
Donna J. Brown  
Clerk of the Council

**ATTACHMENT A-1**

**PROJECT INFORMATION SHEET**

**THE 8230 SCHULTZ ROAD PROJECT**  
**8230 Schultz Road**  
**Clinton, MD 20735**

**COUNCILMAN DISTRICT 9**

<b>PROJECT DESCRIPTION:</b>	8230 Schultz Road, LLC plans to acquire land for construction of a ninety (90) unit affordable apartment community for seniors ages sixty-two (62) and over in Clinton, Prince George’s County, Maryland
<b>PROPOSED OWNER:</b>	8230 Schultz Road, LLC
<b>DEVELOPER:</b>	Housing Initiative Partnership, Inc. Parallax Development Group, LLC Banc of America Community Development Corporation
<b>CONTACT:</b>	Maryann Dillon Executive Director Housing Initiative Partnership, Inc. 301- 985-1252
<b>NEIGHBORHOOD/LOCALITY:</b>	Clinton, Maryland Prince George’s County District 9
<b>UNIT MIX:</b>	Seventy-two (72) one-bedroom and one bathroom; eight (8) two-bedroom and one bathroom; and ten (10) two-bedroom and two-bathroom units
<b>PROPOSED RENTS:</b>	One-bedroom – Range of \$636 to \$1,207 per month Two-bedroom – Range of \$1,326 to \$1,429 per month

**ATTACHMENT A-2**  
**PROJECT INFORMATION SHEET**  
**THE 8230 SCHULTZ ROAD PROJECT**  
**8230 Schultz Road**  
**Clinton, MD 20735**  
**COUNCILMAN DISTRICT 9**

**PROJECT DESCRIPTION:**

8230 Schultz Road, LLC plans to acquire land and construct ninety (90) units of affordable apartment housing community for seniors, ages sixty-two (62) and over, in Clinton, Prince George’s County, Maryland (hereinafter referred to as “8230 Schultz Road”) on a 3.51-acre site. The total development cost of this project is expected to be twenty six million, seven hundred sixty-eight thousand, three hundred seventy-six dollars (\$26,768,376).

Located four miles outside the Capital Beltway and southeast of the Anacostia section of District of Columbia (DC) about a half (1/2) mile from Coventry Way’s intersection with Branch Avenue, 8230 Schultz Road will offer residents a convenient location for employment, healthcare, retail, and transit. A Metrobus stop located 0.7 miles away from the community’s entrance will offer transit to the Branch Avenue Metro Station located 5.6 miles away from the site. Significant nearby employment centers include Andrews Air Force Base which is located 2.5 miles from the site and the US Census Bureau headquarters at the Suitland Federal Center that is approximately 7.1 miles away from that site and is also home to approximately four thousand four hundred (4,400) employees.

Local amenities include the Woodyard Crossing Shopping Center, located 1.8 miles away at the intersection of Woodyard Road and Branch Avenue, which is home to retail options such as a Safeway supermarket, Walmart, and a Lowe’s Home Improvement store. Other nearby amenities include a post office, a Walgreens pharmacy, several banks, various restaurants and eateries, and a Patient First clinic and other medical offices. The MedStar Southern Maryland Hospital Center is also located at the intersection of Surratts Road and Branch Avenue, 2.2 miles from the site. Public elementary, middle, and high schools are all located within two (2) miles of the site.

8230 Schultz Road is designed as a four-story, elevator-served building. Of the ninety (90) units, seventy-two (72) units will be one-bedroom and one-bathroom; eight (8) units will have

two-bedrooms and one-bathroom, and ten (10) units will have two-bedrooms and two-bathrooms. The monthly utility allowances are conservatively estimated at seventy-two dollars (\$72) for one-bedroom units, and ninety-one dollars (\$91) for the two-bedroom units. 8230 Schultz Road is reserving ten (10) units for senior households whose incomes are at forty percent (40%) of the AMI, which translates into incomes of thirty five thousand, two hundred eighty dollars (\$35,280) for a household of one and forty thousand, three hundred twenty dollars (\$40,320) for a household of two, with rents at eight hundred seventy-three dollars (\$873) for the one-bedroom units. Forty four (44) units will be reserved for senior households whose income are at fifty percent (50%) of the AMI, which translates into incomes of forty four thousand, one hundred dollars (\$44,100) for a household of one, and fifty thousand, four hundred dollars (\$50,400) for a household of two, with rents at one thousand, one hundred nine dollars (\$1,109) for the one-bedroom units and one thousand, three hundred twenty-six dollars (\$1,326) for the two-bedroom units. Thirty six (36) units will be reserved for senior households at sixty percent (60%) of the AMI, which translates into incomes of fifty two thousand, nine hundred twenty dollars (\$52,920) for a household of one, and sixty thousand, four hundred eighty dollars (\$60,480) for a household of two, with rents at one thousand, two hundred seven dollars (\$1,207) for the one-bedroom units and one thousand, four hundred twenty-nine dollars (\$1,429) for the two-bedroom units.

Onsite amenities available to the residents will include a large multi-purpose community room with a kitchenette, a party room, and a workout room. There will be common areas and laundry rooms on the second, third, and fourth floors. The managing agent, Habitat America, will maintain an onsite management office. A Social Services Coordinator will be onsite for fifteen hours per week to organize and monitor programming and identify the best onsite and offsite services for individual residents. Transportation will be coordinated for residents needing to travel off-site for medical appointments, shopping, and activities. Residents will also be able to take advantage of activities at the nearby Camp Springs Senior Activity Center on Mondays through Saturdays.

**ATTACHMENT A-3****PROJECT FINANCING ESTIMATE****THE 8230 SCHULTZ ROAD PROJECT**

**8230 Schultz Road  
Clinton, MD 20735**

**COUNCILMANIC DISTRICT 9**

<b>SOURCES</b>	<b>Amount</b>	<b>Percentage</b>
Freddie TEL Private Loan	\$ 8,100,000	30.26%
LIHTC Equity	\$ 12,041,396	44.98%
PGC DHCD HOME Loan	\$ 3,000,000	11.21%
CDA Rental Housing Works Loan	\$ 2,500,000	9.34%
Deferred Developer Fee	\$ 166,980	0.62%
Federal Home Loan Bank	\$ 500,000	1.87%
Seller's Note	\$ 460,000	1.72%
<b>TOTAL</b>	<b>\$ 26,768,376</b>	<b>100.00%</b>
<b>USES</b>	<b>Amount</b>	<b>Percentage</b>
Construction Costs	\$ 16,286,704	60.84%
Fees Related to Construction	\$ 2,926,586	10.93%
Financing Fees and Charges	\$ 2,681,388	10.02%
Acquisition Costs	\$ 1,260,000	4.71%
Developer's Fee	\$ 2,500,000	9.34%
Syndication Related Costs	\$ 188,865	0.71%
Guarantees and Reserves	\$ 924,833	3.45%
<b>TOTAL</b>	<b>\$ 26,768,376</b>	<b>100.00%</b>